



Updated Medicaid Transportation Guidance and What it Means for Transit Agencies and State DOTs

February 28, 2024, 2:00-3:30 PM ET

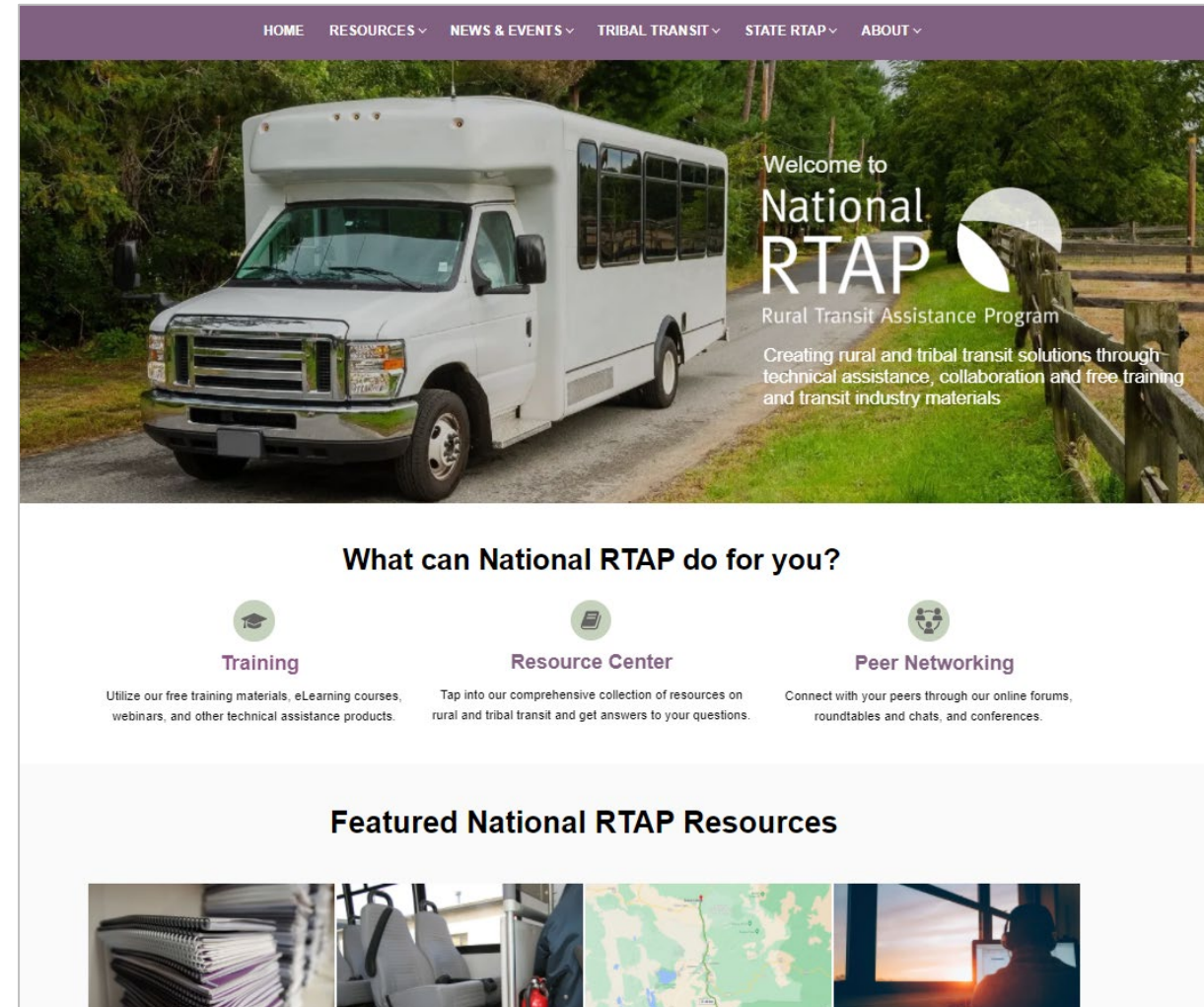


Welcome and Housekeeping

- The recording and slides will be posted at NationalRTAP.org/Webinars
- Enter questions into the Q&A box in Zoom to be addressed at the end
- If you are having trouble with Zoom, chat with us or email info@nationalrtap.org
- Please fill out the very brief post-webinar survey
- Stay tuned for additional webinars or workshops on this topic

National Rural Transit Assistance Program (RTAP)

- Technical assistance center funded by FTA through Section 5311
- No-cost training and technical assistance resources and services
- For rural and tribal transit providers and state programs
- Guided by a 14-member Review Board from state DOTs and transit providers
- Learn more at nationalrtap.org



The screenshot shows the homepage of the National Rural Transit Assistance Program (RTAP) website. At the top, there is a purple navigation bar with links for HOME, RESOURCES, NEWS & EVENTS, TRIBAL TRANSIT, STATE RTAP, and ABOUT. Below the navigation bar is a large banner image of a white transit bus parked on a dirt road next to a wooden fence. The banner text reads: "Welcome to National RTAP Rural Transit Assistance Program" and "Creating rural and tribal transit solutions through technical assistance, collaboration and free training and transit industry materials".

Below the banner, the section "What can National RTAP do for you?" features three columns of services:

- Training:** Utilize our free training materials, eLearning courses, webinars, and other technical assistance products.
- Resource Center:** Tap into our comprehensive collection of resources on rural and tribal transit and get answers to your questions.
- Peer Networking:** Connect with your peers through our online forums, roundtables and chats, and conferences.

At the bottom, the section "Featured National RTAP Resources" displays a row of four images: a stack of spiral-bound notebooks, the interior of a transit bus showing seats and a fire extinguisher, a map of the United States with a red location marker, and a person working at a computer with a sunset in the background.

National RTAP Resources and Services

Training

manuals, videos, slides, and eLearning for front-line staff and management

Information

and best practices via tech briefs, toolkits, topic guides, articles, and news

Technology Tools

for procurement, cost allocation, website building, and GTFS

Peer Networking

and training via webinars, conferences, roundtables, and online forums

Assistance

through reference services and tech support – bring us your questions!

Speaker Introduction



Robbie Sarles
President and Founder
RLS & Associates, Inc.

- Over 40 years of providing transit planning and operating assistance to urban and rural transit systems, state DOTs, and local governments
- Nationally recognized researcher, trainer, and presenter on a topics, including compliance, safety, human service coordination, civil rights, mobility management, and NEMT
- Masters' degrees in Civil Engineering and City and Regional Planning from The Ohio State University; Bachelor's degree from Western Kentucky University



**Moving Public Transportation
Into the Future**

Updated Medicaid Transportation Guidance and What it Means for Transit Agencies and State DOT's

Presented for

National Rural Transit Assistances Project

February 28, 2024

Presented by:

Robbie Sarles

RLS & Associates, Inc



Transportation Assurance

- ◆ **Transportation is an essential feature of the Medicaid program**
 - Ensures beneficiaries' access to health care
- ◆ **Consolidated Appropriations Act (CAA) added statutory requirement**
 - State plan must include description of the method used to ensure necessary transportation
- ◆ **Medicaid page on Transportation Assurance:**
<https://www.medicaid.gov/medicaid/benefits/assurance-of-transportation/index.html>



Transportation Assurance

- ◆ **CAA Section 209 obligates CMS to:**
 - **Convene a series of meeting to obtain feedback and facilitate discussion**
 - **Assess and update CMS' guidance issued to states for Non-emergency Medical transportation (NEMT)**
 - **Submit report to Congress on NEMT based on analysis of nation-wide data set**
 - **<https://www.medicaid.gov/sites/default/files/2023-07/nemt-rtc-2018-2021.pdf>**



State Medicaid Director Letter Announcement

- ◆ Published September 28, 2023:
<https://www.medicaid.gov/sites/default/files/2023-12/smd23006.pdf>
- ◆ “Provides an overview of requirement, policy, and guidance for the assurance of transportation in Medicaid as a mandatory service”
- ◆ Calls on states to “fully operationalize,” monitor and improve the way they meet the transportation assurance



Medicaid Transportation Coverage Guidance

- ◆ **Authored by Centers for Medicare and Medicaid Services (CMS)**
 - **Herculean effort**
 - **Reflects Coordinating Council on Access and Mobility (CCAM) dialog**



Medicaid Transportation Coverage Guidance

- ◆ **Compilation of Medicaid transportation policy on federal requirements and **state flexibilities****
 - Clarified existing
 - Explained new
 - Encouraged best practices
- ◆ **Encourages states, MCO and transportation providers to work collaboratively to ensure beneficiaries are educated and informed**



Transportation Access Requirements

- ◆ **Necessary Transportation**
 - No other option is available
- ◆ **Nearest Qualified Provider**
 - Unless Medical Need
- ◆ **Least Costly/**Most Appropriate****
 - Physical/emotional condition of the beneficiary
 - **Must consider quality of service**
- ◆ **Improve Passenger/Provider Relations**



Negative Transportation Experiences

“A negative transportation experience can have a direct impact on both a driver’s willingness to accept a passenger and a beneficiary’s willingness to accept a ride. To ensure transportation providers, such as drivers, have the necessary tools to engage beneficiaries and ensure a positive experience, CMS recognizes there may be a need for additional steps to help manage the transportation provider-beneficiary relationship.”

Consideration for Special Populations

- ◆ **States should address unique challenges**
 - Reasonable modification for individuals with disabilities—consider support needs
 - Consider behavioral health needs when determining most appropriate mode
 - Tribal beneficiaries with geographic barriers
 - **Higher cost of doing business in rural areas**
 - Flexibility to set higher base rates
 - Alternative rate methodologies

Public Transportation

- ◆ **CMS recognizes public transportation agencies as viable NEMT options**
 - **Often recognized as least costly and most appropriate option**
- ◆ **CMS recognizes TNCs**
 - **Need to account for the medical appropriateness of the ride and financial efficiency**



Public Transportation Partnerships

- ◆ **State Medicaid agencies are encouraged to explore partnerships with State DOT agencies to better serve the Medicaid population**



Public Fixed Route Transportation

- ◆ Rates may be no more than charged to the general public—fares, discounts, etc.
- ◆ Passes/Tickets as long as cost of pass is less than single trip cost for expected number of Medicaid covered trips during the period covered by the pass (on average)
 - Use of pass for non-Medicaid related trips is acceptable



ADA Complementary Service

- ◆ **ADA complementary paratransit service**
 - **Reliable and timely**
 - **Can exceed fare**
 - **No more than the rate charged to any other state human service agency for comparable service**

“The fiscal burden of transportation must not be unfairly placed on paratransit”



Public Demand Responsive Transportation

- ◆ **Demand responsive service**
 - **Reliable and timely service may be deemed most appropriate**
 - **Can exceed fare**
 - **No more than the rate charged to any other state human service agency for comparable service**



Public Transportation Coordination

- ◆ **Allows for trip sharing**
- ◆ **Medicaid is payer of last resort**
- ◆ **Medicaid only pays for its portion of a coordinated trip**
 - **States have flexibility to utilize cost allocation methods reflecting basic cost principles**
 - **Implied reference to CCAM cost principles and SBIR cost allocation model**

Provider Payments

- ◆ **Must not offer payment too low that results in a limited number of potential service providers**
- ◆ **States have flexibility to explore a broad array of innovative payment models**

Provider Payments

- ◆ **Costs that cannot be paid as a direct activity, but can be built into a payment methodology**
 - **No load miles—miles with no beneficiary on board**
 - **Deadhead miles**
 - **No-shows**
 - **Long Wait Times**

Provider Payments

“These may result in significant costs to transportation providers and failure to account for them would negatively affect providers’ willingness to transport Medicaid beneficiaries”

Provider Payments

- ◆ **Travel related costs covered as a direct expense**
 - **Overnight long distance trips**
 - **Lodging, Meals**
 - **Transportation Attendant**
- ◆ **States afforded **flexibilities** for coverage of wait times and long distance trips**

Broker Requirements

- ◆ **States must provide robust oversight**
 - **Complaints**
 - **Audits**
 - **Driver standards**
 - **Vehicle standards**
 - **Access to beneficiaries**
 - **Scheduling assistance**



Private Broker Requirements

- ◆ **Competitive bidding**
 - Experience, references, performance, cost, oversight
- ◆ **Conflict of interest**
 - Prohibition from subcontracting to provider with which it has a financial interest
 - No self-referral unless exceptions met



Public Broker Requirements

- ◆ **Public/Governmental Entities as Brokers**
 - **Competitive bid**
 - **Exempt from COI if directly provides service or subcontracting to another governmental provider**
 - **Allows self-referral**
 - **Payment does not exceed the actual costs of service**
 - **Separate cost centers in accounting system**
 - **Most appropriate/lowest cost**



Recognizes Fundbraiding

- ◆ **Cannot use fundbraiding to match Medicaid**
- ◆ **Can use fundbraiding to match transit programs to increase coordination among Federal agencies that provide transportation services**
 - **Section 5311**
 - **Section 5310**
 - **Section 5307**

NEMT Cost Allocation Model Overview

Project Purpose

- ◆ **Address Congressionally Mandated Action**
 - **FAST Act**
 - **Congress Stipulated That The USDOT and CCAM Develop Cost Allocation Technology**
 - **Account for Disparate Federal Reporting Requirements and Maintain Separation of Funding Sources by Trip for NEMT**
 - **While Embedded in the FAST Act, This Issue Was Recognized More Than 48 Years Ago**

Project Purpose

- ◆ **CCAM 2005 Report to the President**
 - **To Encourage the Shared Use of Vehicles and Existing Public Transportation Services, the CCAM Recommends Where Statutorily Permitted That Standard Cost Allocation Principles for Transportation be Developed and Endorsed by Federal Human Service and Transportation Agencies**

The Changing Environment

- ◆ **Multiple GAO Studies Encouraging the Coordination of Federally-Assisted**
- ◆ **Adoption of the Single Audit Act**
- ◆ **Adoption of Uniform Cost Principles in the Administration of Federal Award**
 - **OMB Circulars A-87, A-122**
 - **2 CFR § 200**

The Changing Environment

- ◆ **FTA Private Sector Initiatives in the mid-1980**
 - **Recognition and Adaptation of the 2-Variable Cost Allocation Method**
- ◆ **Widespread Deployment in Both Public and Private Sectors of Automated Accounting Software**
- ◆ **CCAM**

The Changing Environment

- ◆ **TCRP Research**
 - **Various Reports on Cost-Sharing and State Medicaid NEMT Service Delivery Model**
- ◆ **Enhanced Technology**
- ◆ **Massive (Unconstrained) Growth in the Medicaid Program**
 - **Creates Pressures at the State Level to Control Costs**

Challenges in this Project

- ◆ **NEMT, Even Though Expenses are in the Billions, Represent \approx Only 0.5 – 1.0% of the Medicaid Budget**
- ◆ **Changing/Evolving Medicaid & NEMT Service Delivery Models**
 - **Fee-for-Service at the Local Level**
 - **Brokered Services at the Regional or Statewide Level**
 - **Managed Care at the Statewide Level**

Challenges in this Project

- ◆ **Existing Cost Allocation Techniques Produce Cost Estimates for Vehicular Movements, Not Passenger Movements**
 - **Funding sources do not wish to pay for:**
 - **Deadhead Mileage**
 - **Miles on a Trip Where the Sponsor's Clients are Not Onboard the Vehicle**
- ◆ **Database/Cloud Platform Security**

Challenges in this Project

- ◆ **Diversity in the Network of NEMT Service Providers**
 - **Transit Agencies**
 - **Nonprofit Organizations**
 - **Private, For-Profit Transportation Companies**
 - **Owner/Operators**
- ◆ **Differing State Medicaid Models**

Challenges in this Project

- ◆ **Private Sector Financial Data Used in Data Entry Validation**
- ◆ **Rise of Wayfinding Applications/TNC Networks**
 - **Creates a Perception and Analogy of What Can Happen That May Not be Consistent With Current NEMT Service Delivery Models**
- ◆ **Teaching Programmers Cost Allocation Methods**



Model Elements to Address Challenges

- ◆ **Use of a Uniform Budget Template to Promote Full Cost Recognition**
- ◆ **Modification of the FTA Price-Waterhouse Landmark Report on Cost Allocation Techniques**
- ◆ **Adoption of CMS's Budget Certification Process**

Model Elements to Address Challenges

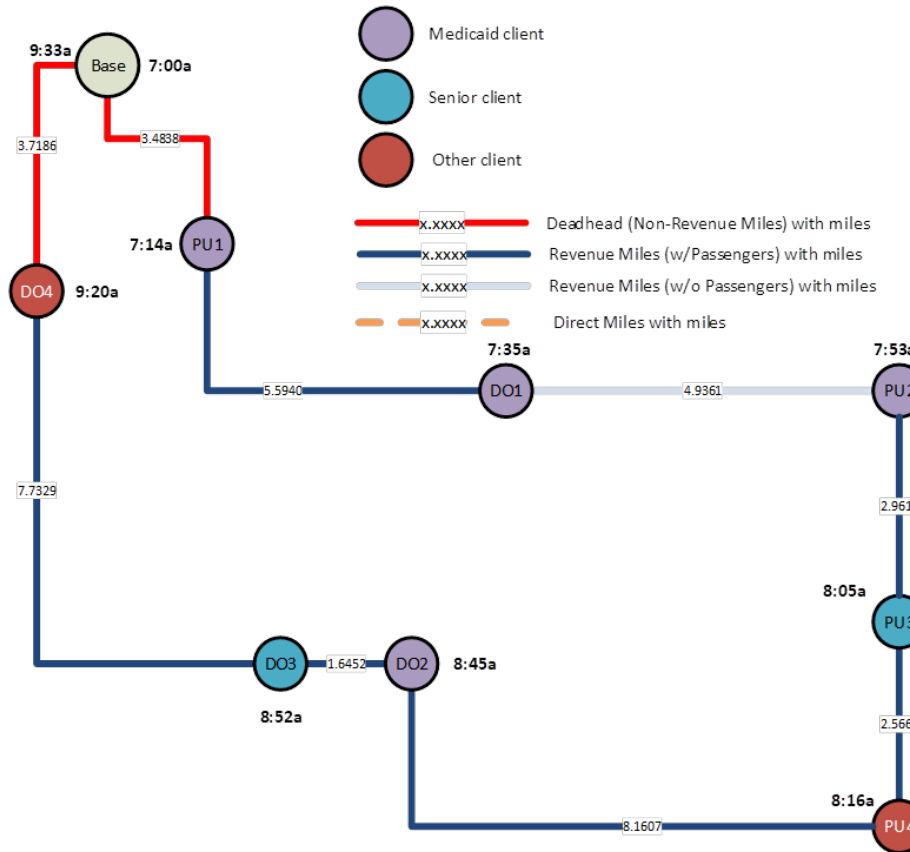
- ◆ **Policy Decision to Prohibit Depreciation on the Non-Federal Share of Rolling Stock Assets Where There is Partial Federal Interest for All But Private Entities**
- ◆ **Adoption of Multi-Functional Approach to Generating Fully Allocated Costs**
 - **The Model Can Price a Service**
 - **The Model Can Price an Individual Trip**



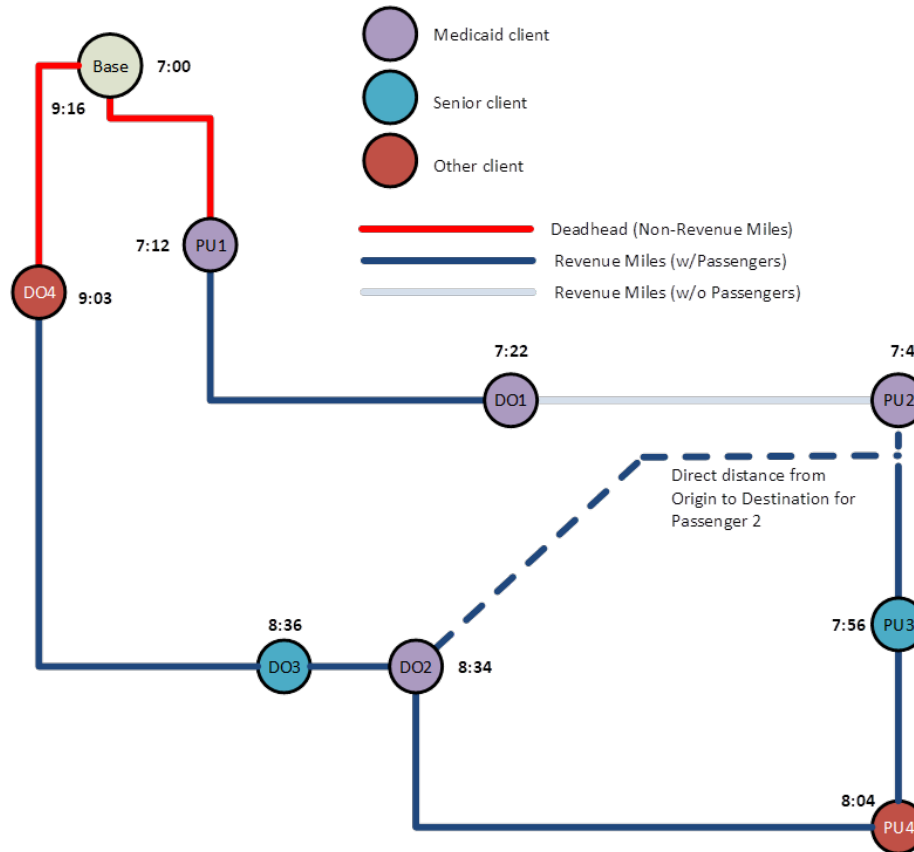
Model Elements to Address Challenges

- ◆ **Adding Interactive Map Application to Generate Map O/Ds for Specific NEMT Trips**

Traditional Transit Vehicle Trip Scheduling



NEMT Person Trip Scheduling





Where We are Today

- ◆ **Model Has Migrated from the Development Platform to the Cloud**
- ◆ **Working with Ohio DOT and Their Statewide Mobility Management for Field Testing**
 - RLS Internal Testing
 - Field Testing by NEMT Providers
- ◆ **Modifications to the Model Based on Field Testing**



Where We are Today

- ◆ **Migration of Map Platform**
- ◆ **Batch Entry of Origins/Destinations**
- ◆ **Documentation Preparation and User Manuals**

- ◆ **With That, Let Look at the Model**

Organization Identification

NEMT Cost Calculator



- 1 Update Agency Info — 2 Update Organization Info — 3 Update Contact Info — 4 Update Mode Info



Please Update Your Organization Information

Name of Transportation Entity *

DemoTwo

Doing Business As

Demo2

Street Address 1 *

555 Main Street

Street Address 2

City *

Eaton

State *

Ohio

Zipcode *

45590

Back ◀

Next ▶

Save

Organizational Status Input

NEMT Cost Calculator



1 Update Agency Info

2 Update Organization Info

3 Update Contact Info

4 Update Mode Info



Which Best Describes Your Transportation Entity?

- County, Municipal, or Regional Government Organization
- Transit Authority or District
- Nonprofit Organization
- NEMT Broker
- Managed Care Organization
- For-profit Transportation Company

Back <

Next >

Save

Contact Information

NEMT Cost Calculator



- 1 Update Agency Info — 2 Update Organization Info — 3 Update Contact Info — 4 Update Mode Info

×

Please Update Your Contact Information

First Name *	Last Name *
Ringo	Star

Title *

CFO

Contact E-mail *

rstarr@rlsandassoc.com

Office Phone *	Mobile Phone *
(937) 299-5007	(910) 352-4323

Back ◀

Next ▶

Save

Service Data



Enter Service Data About Your Transportation Service

	Human Service Agency Transportation	Total
Total Vehicle Service Hours from Previous Year	21,694	21,694
Total Vehicle Miles from Previous Year	292,522	292,522
Total Number One-way Passenger Trips from Previous Year	16,821	16,821
Total Number of Passenger-Miles	361,324	361,324
Maximum number of vehicles in service at any one time	0	0

Back Next To Financial Data Save

Certification



Please Certify that the Budget Information You Provide is Accurate

To Whom It May Concern:

This is to certify that I have reviewed the cost allocation data submitted herewith and to the best of my knowledge and belief:

(1) All costs included in this Cost Allocation Model to establish a distribution of shared or indirect costs in support of any public or specialized transit service for any other state or local, public or private human agency are allowable in accordance with the requirements of the Federal award(s) to which they apply and the provisions of 2 CFR § 200. Unallowable costs have been adjusted for in allocating costs as indicated in this cost allocation model.

(2) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect or shared costs in this model have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the purchaser of transportation services will be notified of any accounting changes that would affect the rates projected in this model.

I declare that the foregoing is true and correct. I understand that the representations made by my organization in developing this cost allocation model are subject to the criminal provisions of 18 U.S.C § 1000 if I have knowingly and willfully made false statements in the representations presented herein.

I agree to the terms outlined in this agreement.

Financial Data

NEMT Cost Calculator



What Financial Data Would You Like to Work On?

5010 - Labor

5020 - Services

5030 - Materials and
Supplies

5040 - Utilities

5050 - Casualty and
Liability Costs

5060 - Taxes

5090 - Miscellaneous
Expenses

5100 - Purchased
Transportation

5210 - Interest Expenses

5220 - Lease Expenses

5260 - Depreciation

5290 - Other Reconciling
Items

5300 - Indirect Expenses

Total Directly Operated Services

\$661,514.90

Total Purchased and Other Expenses

\$0.00

Grand Total of All Expenses

\$661,514.90

Financial Data



5010 - Labor Information

Save

#	Title	Human Service Agency Transportation	Ineligible Expenses	Total
5011	Operator Salaries & Wages	\$304,529.00	\$0.00	\$304,529.00
5012	Operator's Paid Absences	\$0.00	\$0.00	\$0.00
5013	Other Operations Personnel Salaries & Wages	\$0.00	\$0.00	\$0.00
5014	Other Operations Peronnel Paid Absences	\$0.00	\$0.00	\$0.00
5015	Administrative Salaries & Wages	\$96,102.00	\$0.00	\$96,102.00
5016	Administrative Peronnel Paid Absences	\$0.00	\$0.00	\$0.00
5017	Operator Fringe Benefits	\$44,304.00	\$0.00	\$44,304.00
5018	Other Operations Personnel Fringe Benefits	\$0.00	\$0.00	\$0.00
5019	Administrative Personnel Fringe Benefits	\$15,008.00	\$0.00	\$15,008.00
Subtotal - Labor		\$459,943.00	\$0.00	\$459,943.00

Trip from Home to Local Hospital

Price a Medicaid Trip

Price Per "Direct" Mile ⓘ

Trip Name *
Test

Origin *
325 Lincoln Street, Eaton, ...

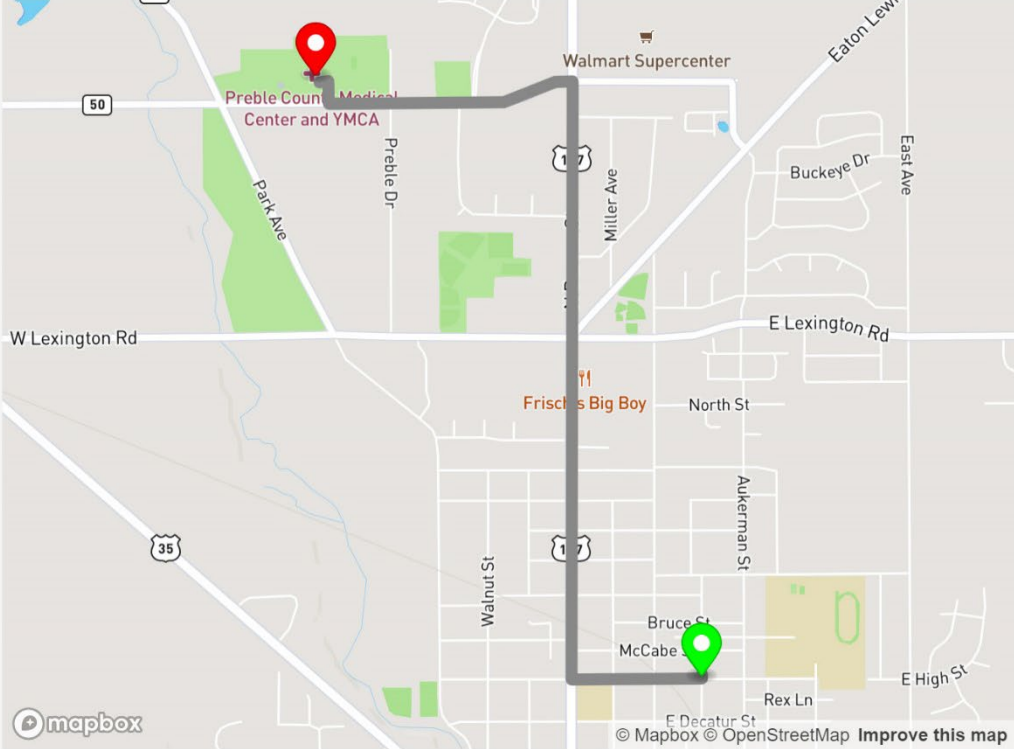
Destination *
450 Washington Jackson ...

Calculate Miles

Total Miles
2.17

Fully Allocated Cost Per Passenger Mile for this Trip

Trip Cost
3.71



View Table of Results

Save Trip

Trip from Home to Primary Care



Price a Medicaid Trip

Price Per "Direct" Mile i

Trip Name *

Test2

Origin *

325 Lincoln Street, Eaton, ...

Destination *

500 North Main Street, Le...

Calculate Miles

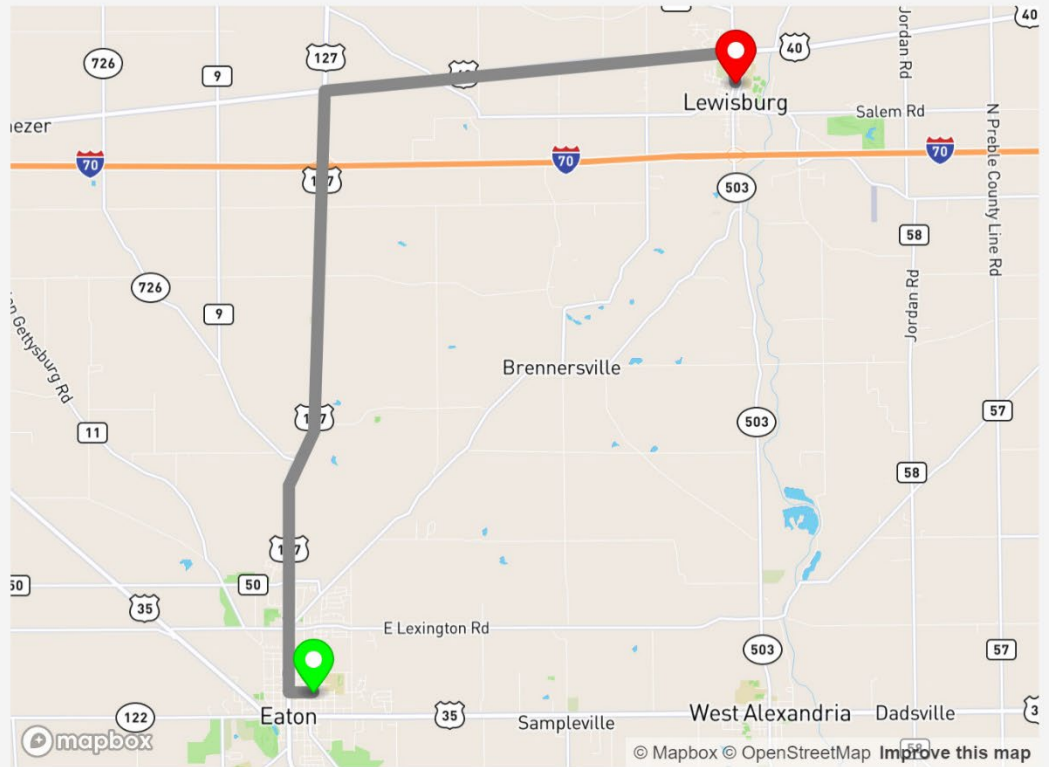
Total Miles

12.37

Fully Allocated Cost Per Passenger Mile for this Trip

Trip Cost

21.1



View Table of Results

Save Trip



**Moving Public Transportation
Into the Future**

Thank you

Robbie Sarles

RLS & Associates, Inc.

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Upcoming Events

In-Person Training:

[Rural and Tribal Transit Capital Projects Training](#)

April 22-24, 2024, Spokane, WA

Michia Casebier, M.G. Tech-Writing, LLC; Steven Matthews, Akana Group; Todd Macalady, SWTTAP

[TSI Trainings Hosted by National RTAP](#)

- *Safety, Security, and Emergency Management Considerations for FTA Capital Projects* - March 12-14, 2024, Santa Fe, NM
- *Substance Abuse Management and Program Compliance* - September 17-19, 2024, MT
- *Reasonable Suspicion and Post-Accident Testing Determination Seminar* - September 20, 2024, MT

Webinars:

[Active Shooter Preparedness Training for Rural Transit Systems Overview Webinar](#)

April 2, 2024, 2:00-3:00 PM ET

Scott Zadakis, NRTAP; Seth Oberman, Skye Interactive

[Early Property Acquisition and NEPA Compliance Webinar](#)

April 25, 2024, 2:00-3:30 PM ET

Dee Phan and Peter Clark, FTA

Go to NationalRTAP.org/Calendar for webinars by FTA, NTI and others on Bus Procurement, NTD, GIS Tools, Public Involvement, and FTA Bus/Low-No Grants

FTA's Technical Assistance Network (slide 1 of 2)



NADTC: Promoting the availability and accessibility of transportation options for older adults, people with disabilities, and caregivers.

- Contacts: [Carrie Diamond](#) and [Virginia Dize](#), [nadtc.org](#)



N-CATT: Helping small-urban, rural, and tribal transit operators understand the technological tools available to them and how to apply them to their systems.

- Contact: [Andrew Carpenter](#), [n-catt.org](#)



NCMM: Promoting customer-centered mobility strategies that advance good health, economic vitality, self-sufficiency, and community.

- Contact: [Amy Conrick](#), [nc4mm.org](#)

FTA's Technical Assistance Network (slide 2 of 2)



SUMC: Working to achieve equitable, affordable, and environmentally sound mobility across the US through the efficient sharing of transportation assets.

- Contact: [Albert Benedict](#), sharedusemobilitycenter.org



TWC: Helping urban, suburban, tribal, and rural public transportation entities recruit, hire, train, and retain the diverse workforce needed now and in the future.

- Contact: [Jack Clark](#), transitworkforce.org



Transportation Technical Assistance Coordination Library provides a sustainable methodology and platform to access transportation coordination resources from technical assistance centers and the FTA. Go to: transportation-tacl.org

Thank You!



National Rural Transit Assistance Program

888-589-6821 | nationalrtap.org | info@nationalrtap.org

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National RTAP is a program of the Federal Transit Administration administered by the Neponset Valley TMA